

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.	Application 11-05-017 (Filed May 16, 2011)
Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.	Application 11-05-018 (Filed May 16, 2011)
Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget (U39M).	Application 11-05-019 (Filed May 16, 2011)
Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.	Application 11-05-020 (Filed May 16, 2011)

**AMENDED PREHEARING CONFERENCE STATEMENT OF  
THE DIVISION OF RATEPAYER ADVOCATES**

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## **I. INTRODUCTION**

Pursuant to section 7.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure section and the and the July 21, 2011 Ruling and Notice of Prehearing Conference ("PHC Ruling") by Administrative Law Judge ("ALJ") Kimberly H. Kim's, the Division of Ratepayer Advocates ("DRA") hereby submits its PHC statement. The instant proceeding ("consolidated") pertains to the Energy Assistance ("ESA") and California Alternate Rates for Energy ("CARE") programs of Pacific Gas and Electric Company ("PG&E"), Southern California Edison Company ("SCE"), San Diego Gas and Electric Company (SDG&E), and Southern California Gas Company's ("SoCalGas") (collectively referred to as "IOUs") for Program Years ("PY") 2012-2014. The IOUs filed their applications for Commission approval on May 15, 2011.

DRA is participating in the instant proceeding because the ESA and CARE programs are vital for making energy affordable to all Californians. Whether expressed in terms of benefits, costs, households affected, job creation, or legal mandate, ESAP and CARE are significant. DRA fully supports the goal expressed in the PHC Ruling to thoughtfully and efficiently resolve the Applications. The IOUs have represented to the public that DRA is the independent arm of the CPUC and will review the Applications.<sup>1</sup> DRA respectfully requests that the Preliminary Proceeding Schedule in the PHC Ruling be amended in order to allow DRA to do the job that has been represented to the public. The schedule should include an opportunity for all parties to the proceeding to present evidence in Testimony, and examine the evidence during hearings. Furthermore, DRA is heartened by the diversity of organizations that have already identified themselves as parties to the proceeding. DRA believes the programs can only be improved by considering the input from the wide range of program implementers, researchers,

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<sup>1</sup> Proof of Rule 3.2 Compliance Filing of PG&E June 6, 2011 and July 8, 2011; and see, SCE June 7, 2011 and July 8, 2011, SoCalGas, June 6, 2011 and July 14, 2011, SDG&E June 6, 2011 and July 14, 2011.

consumer advocates, and program clients that have already weighed in. Particularly, the Applications attest to a lack of public input during the 2009-2011 program cycle.<sup>2</sup> Therefore, it is especially critical to take advantage of public input now during the Application review.

## **II. SCOPE**

### **A. The Preliminary Scope**

DRA agrees that the list of 16 issues in the PHC Ruling should be included in the Scope. However, the Scope of the proceeding must encompass the Applications' adherence to what SCE describes as "increasingly complex policy guidance." As SCE points out, this policy guidance has accumulated in more than 10 years of Commission Decisions and Resolutions.<sup>3</sup> DRA adds that the California Energy Efficiency Strategic Plan (CEESP) provides another layer of strategic guidance, and the Assigned Commissioners' Ruling of March 30, 2011 directing the IOUs to file the Applications clearly expects that the ESA program proposed in the Applications achieve the benchmarks of the CEESP. Against this background, it is reasonable to expand the scope to adequately address to numerous questions that have been raised to date in the Protests and Responses to the Applications.<sup>4</sup> Additionally, the Scope should expressly allow for consideration of Parties' proposals that do not appear in the IOU Applications.

Below, DRA elaborates on a few of the 16 issues of scope listed in the PHC Ruling.

#### **Item 1. Whether the Commission should examine the current ESAP contractors' bidding process and other different delivery models;**

DRA agrees that this is an issue that should be considered by the Commission in

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<sup>2</sup> SDG&E Testimony, TMR-16, SoCalGas Testimony, GAW-17, PG&E Testimony 1-3 to 1-4.

<sup>3</sup> SCE Application p. 38, SCE Testimony p. 81.

<sup>4</sup> DRA incorporates its Protest by reference.

this proceeding. DRA notes that this topic alone required nine days of evidentiary hearings the last time the Commission examined this issue in 1999,<sup>5</sup> and urges the Commission to provide the same opportunity for due process during the current examination of this issue.

**Item 2. Whether the Commission should authorize a study and evaluation of the IOUs' energy education programs under the ESAP program to determine if there are ways to optimize or otherwise improve the educational component of the ESAP program;**

DRA recommends this issue be separated into two topics: energy education and studies/evaluations. Regarding energy education, DRA recommends the issue be more broadly framed to examine to what extent the Applications have implemented prior recommendations on the educational component of the ESAP program, and the results to date of the educational component of the ESAP program. Regarding studies/evaluations, it is within the scope to examine the reasonableness of all proposed studies/evaluations, and to consider the need for studies/evaluations not included in the Applications, but proposed by other Parties.

**Item 5. Whether redesigning of CARE discount rate structure should be reviewed in the herein Consolidated Proceeding, and if so, whether the Public Utilities Code permits and it is in the public interest to design customized CARE discount rates;**

DRA proposed that the Commission explore crafting CARE to be more than a “one size fits all” discount, with the goal of making the CARE discount better support bill affordability and reduce disconnections of CARE customers.<sup>6</sup> DRA believes that Item 5 is intended to capture this issue. Because the Commission has traditionally set CARE rate design in each IOUs' respective rate design proceeding, DRA suggests that this proceeding focus on other features that will support bill affordability and reduce

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<sup>5</sup> See D.00-07-020, p. 25.

<sup>6</sup> DRA Protest of June 20, 2011, p. 21.

disconnections of CARE customers, specifically on arrearage and bill management programs as DRA identifies below in B [Additional Items That Should Be Included in the Scope].

**Item 6. Whether the Commission should authorize IOUs' proposals to explore ways to improve the treatment and therefore penetration rate for the multifamily sector;**

This is another issue where the Commission should consider not just the IOUs' proposals, but all parties' proposals to improve the treatment and therefore penetration rate of the multifamily sector.

**Item 9. Whether the Commission should review the methodology adopted in D.08-11-031 in estimating and calculating eligible low income population;**

The IOUs have proposed to modify the current estimation, so this is clearly an issue. This issue should be expanded to include the proper classification of the various contacts the Utilities have reported making that did not result in program enrollment, and how these classifications should be reflected in tracking progress toward the CEESP's vision that 100% of all eligible and willing customers will be serviced by 2020.<sup>7</sup> Specifically, the Commission in D.08-11-031 allowed utilities to deduct from the targeted number a factor for unwillingness. The utilities in their Applications now expand this factor to include ineligible homes as well.

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<sup>7</sup> California Energy Efficiency Strategic Plan, January 2011 update, Section 2, p. 23.

**Item 15. Whether and how the Commission should continue its coordination with the Department of Community Services and Development (CSD) to most effectively increase the number of overall homes treated in California pursuant to programs administered by the Commission and CSD; and**

This issue should specifically include the eligibility rules of the programs administered by the Commission and CSD and the costs and benefits of bringing these rules into alignment.

**B. ADDITIONAL ISSUES THAT SHOULD BE INCLUDED IN THE SCOPE**

**DRA lists the following issues related to the ESA program.**

**1. All parties' proposals to explore ways to improve the ESA services provided to renters;**

The California Housing Partnership Corporation (CHPC) and National Consumer Law Center (NCLC) propose expanding ESA program services to better serve renters in multi-family buildings. DRA agrees this is within the scope of the proceeding, but contends it is unfair to focus on only on those renters residing in multi-family buildings. DRA requests the Scoping Memo explicitly include consideration of program improvements that could serve renters in all types of dwellings.

**DRA lists the following issues related to the CARE program.**

**1. Whether developing and offering arrearage management and other bill management services to CARE customers will make the CARE program more successful,**

DRA proposed in its Protest that the PG&E and SCE should be required to develop these types of proposals with the goal of lowering CARE disconnection rates.<sup>8</sup>

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<sup>8</sup> DRA Protest, June 20, 2011, p. 21.

Additionally, SCE proposes expanding its bill management service known as Level Pay to better serve CARE customers.

**2. Appropriate metrics by which to assess the success of the CARE program, and**

DRA indicated in its Protest (page 14) that the Commission should consider CARE discounts in rates in assessing the CARE program performance.

**3. Whether the CHANGES pilot should be included in the 2012-2014 CARE program budgets**

The Applications reference a CARE pilot, funded through the CARE budget, that began in 2011 but do not propose continuing this pilot in the 2012-2014 year.<sup>9</sup> This topic should be explicitly identified within the Scope of the proceeding.

**III. SCHEDULE**

DRA is very concerned with the short schedule, which significantly inhibits the stakeholders from participating properly in the proceeding.

Based on the proposed schedule within the ruling, the Commission seeks to adjudicate the issues in an expedited manner and without adequate time to investigate or present evidence. There is no reason for this proceeding to be expedited to the extent suggested in the PHC Ruling. The proposed schedule from the PHC Ruling deprives parties from effective participation and fails to allow parties to present evidence to dispute the applications and testimonies filed. The Commission, at minimum must provide parties with a fair opportunity to be heard. With the consensus of some other parties DRA proposes the following schedule:

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<sup>9</sup> SCE Application, p. 62.

Applications Calendared	May 19, 2011
Protests Filed	June 20, 2011
Pre-hearing Conference	August 8, 2011
Notices issued for Public Participation Hearings	late August
Public Participation Hearings	mid-September to mid-October
DRA and Intervenor Testimony	mid-November 2011
Utility Reply Testimony	mid-December 2011
Hearings	mid-January 2011
Opening Briefs	end of January 2012
Reply Briefs	end of February 2012

There are compelling reasons that warrant a schedule that provides at minimum a four month period for parties to identify all the facts and address them in their briefs. These programs must be efficient because they are funded by all ratepayers. Given the grand scope and budgets for California's four largest IOUs and the fact that these issues are litigated once every three years, the scrutiny level should be no less than that of a General Rate Case. However, the proposed schedule in the PHC Ruling and level of participation afforded to parties by that schedule provide lower scrutiny than a regular IOU filed application. Obviously numerous other stakeholders share DRA's concerns.<sup>10</sup>

In these and other Commission proceedings, participation by a truly representative range of affected interests builds legitimacy for Commission actions and decisions.

**A. There are Numerous Disputed Material Facts that Warrant Evidentiary Hearings**

The Commission and courts have provided that if there are any "disputed issues of material fact[s]," hearings must be held.<sup>11</sup> DRA provides a non-exhaustive list of

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<sup>11</sup> D.07-04-047, 2007 Cal. PUC LEXIS 309 (page 7), citing to Georgia Pacific Corp. v. United States Environmental Protection Agency (9th Cir. 1982) 671 F.2d 1235, 124

disputed issues of material fact below, if not already obvious due to the facts within each application/testimony of the four large IOUs.<sup>12</sup> Above, DRA has identified some material facts in dispute regarding the issues listed in the Ruling. Below, DRA identifies additional issues of material fact that require investigation and resolution by receiving testimony that is subject to cross-examination at a hearing. DRA reserves the right to supplement this list as discovery continues.

1. PG&E contends its carryover (authorized budget collected from ratepayers, but unspent and remaining in balancing account) from the ESA program will be \$22.4 million for electric and \$0 for gas.<sup>13</sup> DRA contends that PG&E's carryover will be \$39 million for electric and \$10 million for gas.<sup>14</sup> DRA contends that PG&E's 2012 revenue requirement should be reduced by the \$50 million ratepayer monies in carryover. Despite PG&E's request and approval to do so in the prior program cycle, PG&E retained its carryover and (unsuccessfully) attempted to shift the electric carryover to the gas budget. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
2. PG&E testimony contends that homes treated will receive all the measures for which they qualify.<sup>15</sup> DRA contends that this cannot be true given confidential information PG&E provided to DRA. DRA also contends that confidential information confirms that PG&E is acting against Commission Orders and Policies. These conflicts are thus material issues of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
3. PG&E asserts the ESAP program cost-effectiveness threshold is 0.25.<sup>16</sup> SCE suggests that the ESA program has a threshold of 0.25.<sup>17</sup> DRA asserts there is no ESAP program cost-effectiveness threshold, and the 0.25

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<sup>12</sup> The list may reiterate the issues listed within the scope if they pertain to facts as opposed to law and policy.

<sup>13</sup> PG&E Testimony 1-93, FN 26.

<sup>14</sup> PG&E Advice Letter 3561-E/3061-G of November 19, 2009, withdrawn by letter of December 15, 2009, and PG&E Annual Reports 2009 and 2010, and PG&E Response of November 5, 2010, Q.8.b. to DRA Data Request 01 Re AL 3727-E of October 19, 2010.

<sup>15</sup> PG&E Testimony 1-91.

<sup>16</sup> PG&E Testimony, 1-19.

<sup>17</sup> SCE Testimony, p. 48.

threshold applies exclusively to the consideration of individual measures offered through the program. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.

4. The utilities include administrative costs in the calculation of cost-effectiveness at the measure level. DRA contends it is inappropriate to include administrative costs not related to individual measures to make decisions about which measures should be on the menu of program offerings. The 2012-2014 programs should not be based on cost-effectiveness tests that use this approach. SDG&E explains that originally administrative costs were included in program-wide cost-effectiveness tests, but not in measure-level cost-effectiveness tests.<sup>18</sup> DRA believes the Commission should return to the original approach described by SDG&E for the 2012-2014 program. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
5. SCE asserts that the ESA program permits a household to be considered serviced if it is assessed and then receives only energy education. DRA contends that a household provided only energy education through the ESA program should not be considered serviced. The household can be considered a subset of “ineligible,” such as sufficiently energy efficient. To count, as SCE does, these households receiving no material improvement as serviced, distorts program results. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
6. To the extent the Applications do not address numerous barriers to delivering energy efficient products and services to dwellings, including but not limited to:
  - 3 measure minimum rule that determines whether a household can be serviced by ESAP;
  - Natural Gas Appliance Testing;
  - Climate Zone based measure lists that do not account for micro-climates; and,
  - Leveraging resources and other sources of funding to remedy conditions to the dwelling that prevent ESAP from servicing the dwelling (2009 Process Evaluation).

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<sup>18</sup> SDG&E Testimony SW 51-52.

DRA contends that all of these barriers must be addressed. Whether they are addressed and how they are addressed is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.

7. The Applications include ineligible customers in the category of unwilling customers. DRA contends that the CPUC made an allowance to deduct unwilling customers from the households-to-treat goal, but not ineligible customers. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
8. PG&E asserts that non-energy benefits are comprehensive and reflected in the cost-effectiveness calculations,<sup>19</sup> but this cannot be the case since PG&E utilizes non-energy benefits to add back in measures and services that fail the cost-effectiveness tests.<sup>20</sup> It is an issue of material fact whether non-energy benefits are comprehensively included in the tests that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
9. The definition of what constitutes an ineligible home, and whether the home is temporarily or permanently ineligible, is not clear. DRA contends that the Applications include classifications that may make a home temporarily ineligible for ESAP as ineligible, and should not do so. The Applications, for example, include the absence of signed Property Owner Waiver as making a home ineligible. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
10. The Non-Energy Benefit years assigned to sealing ducts is different than<sup>21</sup> the DEER Resources expected useful life (“EUL”) for sealing ducts.<sup>22</sup> This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
11. For Non-Energy Benefits, only a limited number of measures are listed as

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<sup>19</sup> PG&E Testimony 1-73.

<sup>20</sup> PG&E Testimony 1-77.

<sup>21</sup> 1000R-LIPPT\_PC-(all years).xls Worksheet 9E NEBs Partic PropVal, for all PC files, years 09 through 014, cell H16.

<sup>22</sup> DEER Resources file EUL\_Summary\_10-1-08.xls, cells D107.

an influence on property value benefits.<sup>23</sup> DRA contends that additional measures such as new appliances (energy efficient refrigerators and air conditioners) also influence property values. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.

12. For Non-Energy Benefit, the societal economic impact value is assigned indicated in a spreadsheet marked confidential.<sup>24</sup> DRA contends that value should be different. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
13. For Non-Energy Benefits, moving costs include [from in a spreadsheet marked confidential] some aspects of moving costs. DRA contends that other aspects of moving costs must also be included. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
14. For Non-Energy Benefits for the cost of arrearages [from in a spreadsheet marked confidential], the utility cost (“UC”) is set in relation to the participant cost (“PC”) in a manner that DRA disagrees with.<sup>25</sup> This conflict is a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
15. Table 2 (SW-14) identifies over 352,952 customers as eligible and then calls 15% unwilling or ineligible without explicitly acknowledging that its original estimate must, therefore, have been flawed or incorrect in some way. SDG&E must identify explicitly the true number of eligible customers. Without clarification, SDG&E will have compromised a material issue of fact. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
16. The Policy Objective of increasingly “cost effective savings” cannot be met with assurance without a more explicit definition of what is meant.<sup>26</sup> This conflict is thus a material issue of fact that should be investigated and

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<sup>23</sup> 1000R-LIPPT\_PC-(all years).xls, Worksheet 9E NEBs Partic PropVal, for all PC files, years 09 through 014.

<sup>24</sup> 1000R-LIPPT\_UC-(all years).xls, worksheet 8A NEBs Soc Econ, cell C22.

<sup>25</sup> 000R-LIPPT\_PC-(all years).xls, worksheet 7A NEBs Util Arrears, cell C13; 1000R-LIPPT\_UC-(all years).xls, worksheet 7A NEBs Util Arrears, cell C13.

<sup>26</sup> California Energy Efficiency Strategic Plan (*the Plan*), January 2011 update, Section 2, pp. 23-2.

requires resolution by receiving testimony that is subject to cross-examination at a hearing.

17. SDG&E is not proposing any change to the three measure minimum rule.<sup>27</sup> SCE proposes providing CFLs to households regardless of whether the household meets the three measure minimum rule.<sup>28</sup> The three measure minimum rule, in sum, is that a dwelling must need a minimum number of services OR a service that will provide a minimum amount of energy savings, in order to receive any service through the program. DRA contends that this too is arbitrary and has no direct correlation to the stated goal of increasingly cost effective savings or even a goal of increasing savings per household. Without proper coordination with other goals, issues of material fact can be called into question. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
18. The IOUs have proposed in their Energy Savings Assistance Program (ESAP) Applications to expand the refrigerator replacement eligibility to include the early replacement of refrigerators built through 1998.<sup>29</sup> The IOUs have based their proposal on the results of the LIEE Refrigerator Replacement Energy Consumption, Memo prepared by KEMA for Phase 1 of the Refrigerator Degradation Effective Useful Life Study (May 2011).<sup>30</sup> However, the IOUs have not explained the reasons for the discrepancy between KEMA's recommendation to include pre-2001 refrigerators and the IOUs recommendation to include only pre-1999 refrigerators in the ESAP refrigerator replacement eligibility criteria. Based on the KEMA memorandum, DRA believes that expanding the ESAP refrigerator replacement eligibility to include pre-2001 refrigerators may lead to superior total energy savings for the program. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
19. The measure savings estimates used by the IOUs to calculate cost-effectiveness results in their ESAP Applications are based on the 2009 Impact Evaluation Draft Report issued on March 11, 2011 (March 2011 Draft Report).<sup>31</sup> The IOUs represent that the results of this evaluation

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<sup>27</sup> SDG&E, p. SW-62.

<sup>28</sup> SCE Application pp. 36-37.

<sup>29</sup> PG&E Testimony, pp. 1-84 and 1-85; SCE Testimony, p. 80; SDG&E Testimony, p. SW-63.

<sup>30</sup> PG&E Testimony, p. 1-59; SCE Testimony, p. 32; SDG&E Testimony p. SW-63.

<sup>31</sup> PG&E Testimony, p. 1-56, footnote 9; SCE Testimony, p. 66, footnote 60; SDG&E Testimony, pp.

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informed the planning and development of the 2012-2014 application.<sup>32</sup> DRA contends that there are significant differences between the energy savings estimates provided by the March 2011 Draft Report and the energy savings estimates provided by The Final Impact Evaluation Report issued on June 16, 2011 (June 2011 Final Report). DRA is troubled by these downward revisions in energy savings estimates from the March 2011 Draft Report to the June 2011 Final Report of the 2009 Impact Evaluation, given that the IOUs planning and development of the 2012-2014 application is based on the incorrect March 2011 Draft Report numbers. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.

20. The measure savings estimates used by the IOUs to calculate cost-effectiveness results in their ESAP Applications are based on the March 2011 Draft Report. The March 2011 Draft, in turn, indicates a downward trend in energy savings estimates. DRA contends that the reasons for the downward trend in energy savings should be investigated and that those reasons (whatever they are) should be fully considered in designing the changes to the several elements of ESAP. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
21. The June 2011 Final Report indicates that the energy savings estimates are lower than those contained in the March 2011 Draft Report. DRA contends that the reasons for the downward trend in energy savings should be investigated and that those reasons (whatever they are) should be fully considered in designing the changes to the several elements of ESAP. This conflict is thus a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
22. Preliminary analysis indicates that the energy savings (and associated benefits) per household will decrease for participants in several utility's territories. The Applications indicate that ESAP appears to be in danger of downgrading benefits per household in its zest to reach all households in need. Careful consideration of program design, delivery and performance, must be done to achieve the Commission's goals. This conflict is thus a material issue of fact that should be investigated and requires resolution by

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SW-47-SW-48.

**32** PG&E Testimony, p. 1-56; SCE Testimony, p. 66; SDG&E Testimony, pp. SW-47-SW-48.

receiving testimony that is subject to cross-examination at a hearing.

23. In addition to the simplified metric of savings delivered for cost invested, the Commission currently requires two cost-effectiveness tests to decide what measures are offered through the ESAP. However, the application of these tests to compose the proposed ESAP portfolio may be having a perverse effect of limiting beneficial measures to households and not producing a more cost-effective outcome. The Commission had intended to improve the usefulness of these tests in the last ESAP Rulemaking 07-01-042, but this process was never completed. The parties should have an opportunity to propose modifications to the tests, and the inputs and assumptions to the tests, to make these tests more useful to guiding the progress toward the ESAP goals. This presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
24. Bill savings and participant quality-of-life benefits are an important aspect of the ESAP. Neither PG&E nor SCE present participant benefits in terms of bill savings or even energy savings expected per household. Nor do their Applications give adequate attention to ways to increase the associated quality-of-life benefits that are recognized for households with financial need. DRA contends that these must be considered. This presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
25. The Applications describe various contacts ESAP enrollment contractors have made with households not served by the program. These households fall into multiple categories that range from refusing the service, having conditions that prevent contractors from servicing the dwelling, to not responding to auto-calls about the program. Ultimately, there may be a mismatch between the households that are counted annually to determine the “eligible” pool, and the households that are contacted and even served by ESAP. The rules for counting and categorizing households with financial need require further investigation and presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
26. Each service and product is associated with different costs and benefits per unit of energy saved. Currently, even though the Applications propose a large menu of measures, specific to dwelling type and climate zone, program rules may prevent the installation of measures at the household. Or, for particular households a measure may be cost-effective for that household, but may not be allowed in the program. DRA needs to conduct a more detailed review of the costs and benefits per unit of energy saved for each service and product. This presents a material issue of fact that should

be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.

27. The Joint Utilities do not identify what proportion of savings the individual measures, new or established, are expected to generate. Energy savings estimates for the proposed new measures have only been estimated, but not verified. There is also no identification of how each of the different services and products contribute to which specific goal. This presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
28. The Applications present no evidence or discussion of the significant shift in lighting policy directed by the Commission and memorialized in a series of recent plans and reports. Nor do the Applications discuss how their proposal to continue to deliver lighting at current rates (or in SCE's case to deliver more lighting) is not duplicative of their Energy Efficiency programs directing lighting subsidies primarily to Hard-To-Reach areas where primarily households with financial need live. This presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
29. The Guidance Document requires the Joint Utilities to describe how ESAP is funded. This is particularly important to understand because some of the utilities make funding requests and the implications cannot be easily understood without better explanation of which accounts the funds flow through. PG&E's description is limited to two statutes establishing surcharges in 1996 and 2002. Regarding PG&E, this deficiency prevents evaluation of its 1) estimate of ESAP carry-over funding, 2) decision not to reflect carry-over funding in the proposed ESAP budget, and 3) claim that SB 69 could require the natural gas ESA program to come to a halt. This presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
30. The budgets in the Applications were required by extensive Commission direction have identified the categories where leveraging and integration has reduced costs and cost-effectiveness. The Applications actually take the opposite tact, claiming that a new reporting template prevents cost comparisons by category. This presents a material issue of fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.
31. The IOUs report their annual true-up of CARA and ESA balancing accounts in different ways, some via Advice Letters and some via an Application separate from the instant applications. DRA contends that compliance reporting should be uniform. This presents a material issue of

fact that should be investigated and requires resolution by receiving testimony that is subject to cross-examination at a hearing.

DRA and other parties take issue with facts included in the IOU applications, and the Commission must provide hearings to comply with due process.

Respectfully submitted,

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